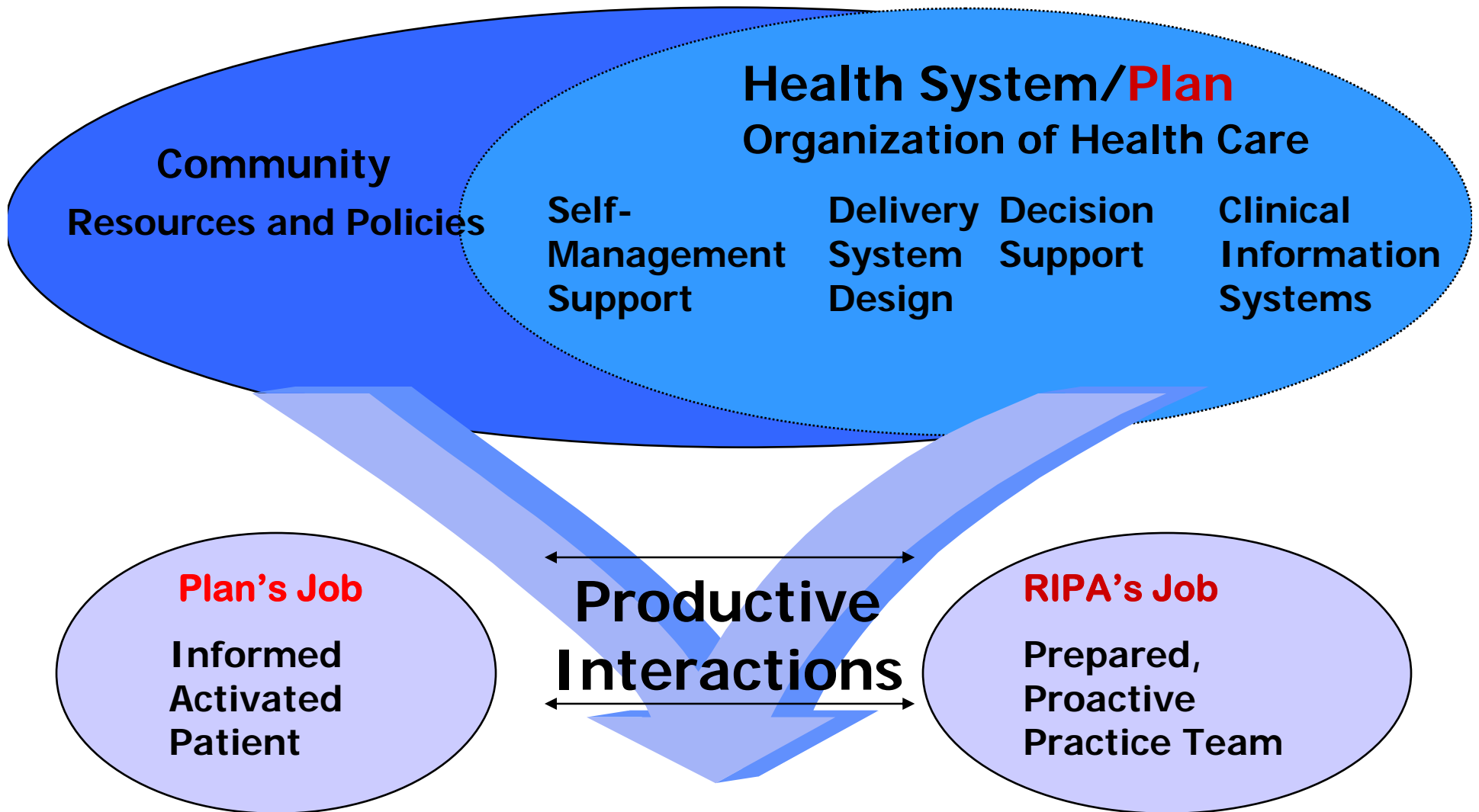


Redefining Quality to Create Win-Win Incentive Programs

Partnering to Promote Quality
Sacramento Convention Center
March 7, 2007

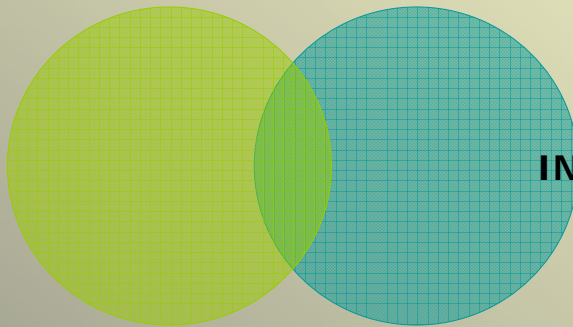
Howard Beckman, MD, FACP
Medical Director, RIPA
Rochester, NY

What is needed



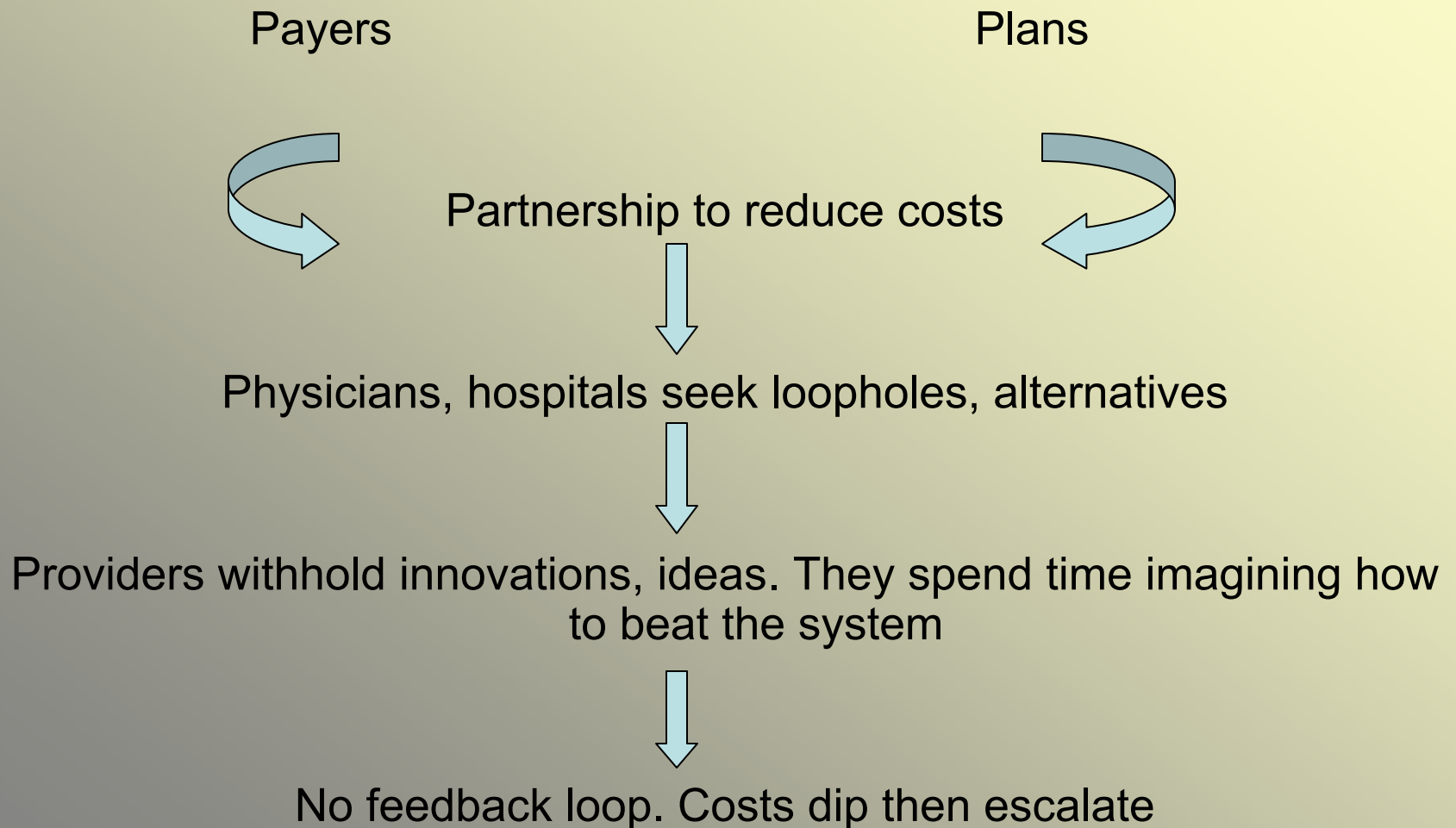
“Rochester Rewards Results”

ANALYTIC TOOLS

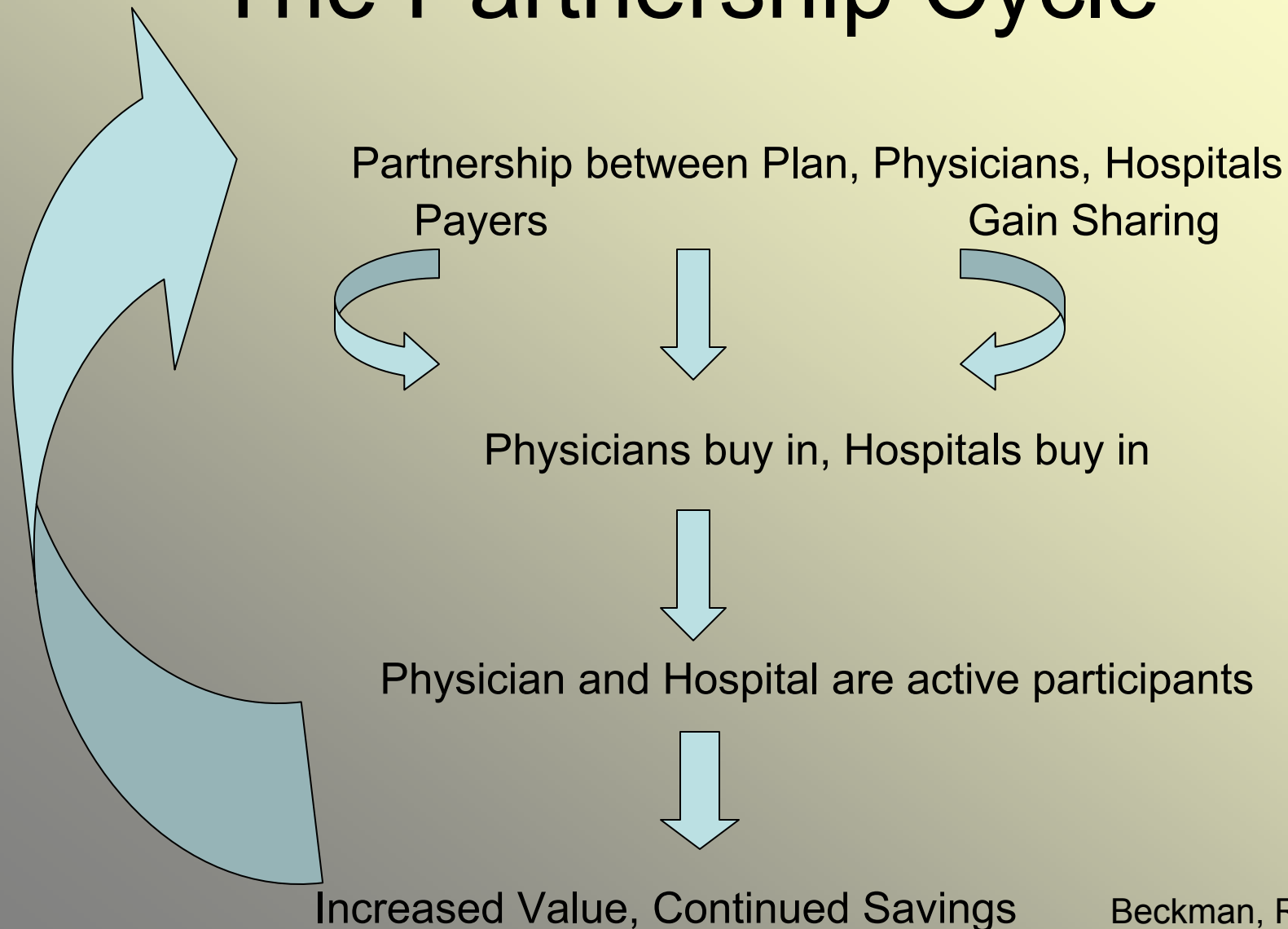


INTERPERSONAL PROCESS

The Win – Lose Cycle



The Partnership Cycle





Successfully Engaging Physicians

Employ a respectful process to
introduce measures

Employing a respectful process

- Engage practitioners in creating and reporting measures from the start
- Only choose measures that make clinical sense
- Make measurement specs available
- Choose realistic targets
- Deliver understandable reports

Employing a respectful process

- Roll out the measures over a year
- Provide **actionable, nonjudgmental** feedback
- Don't assume outliers are poor performers
- Incorporate an appeal process to the P4P payment program



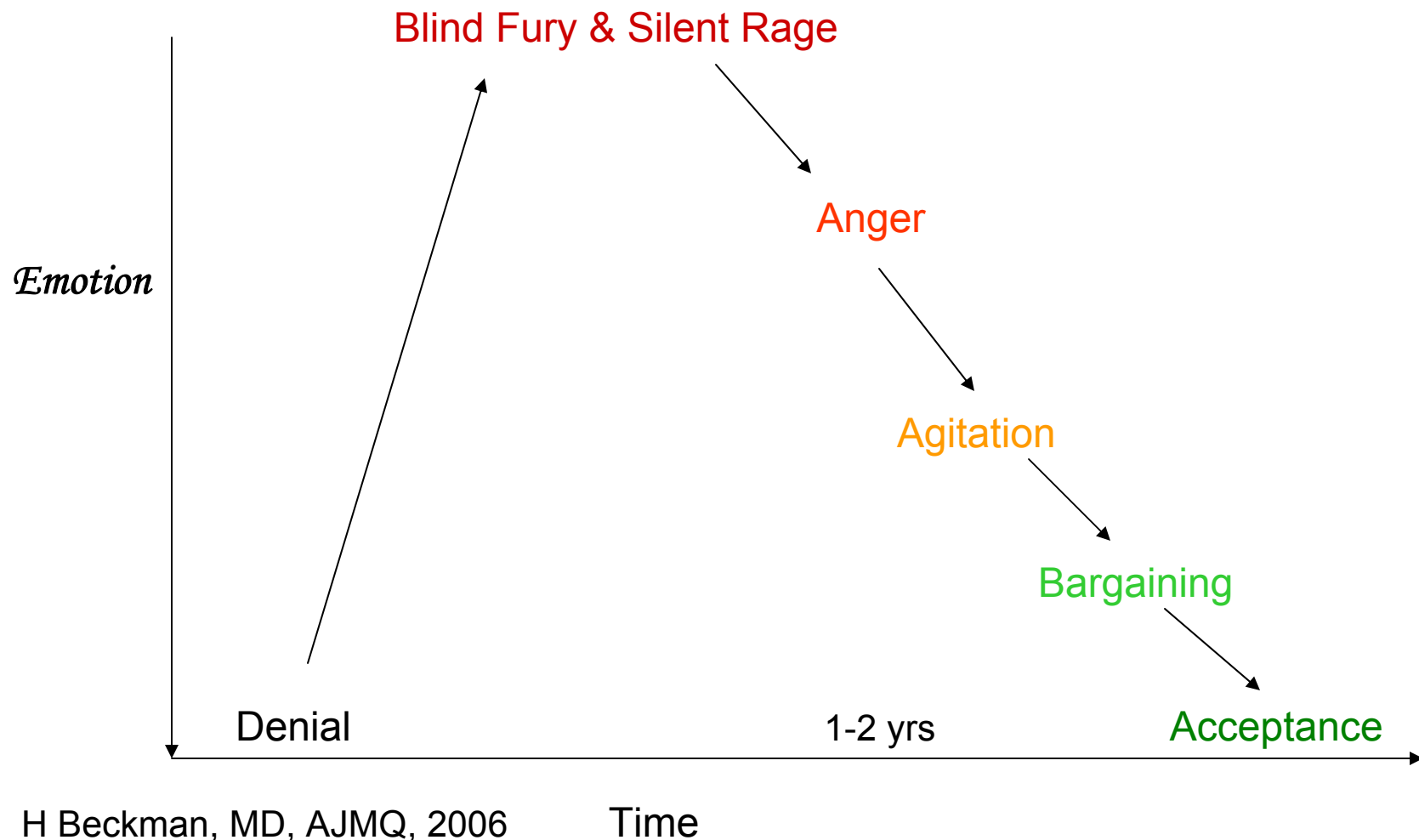
Successfully Engaging Physicians

Manage the predictable stages of change

Denial→ Anger→ Bargaining→ Acceptance

(Kubler-Ross. Death: The final stage of growth. 1975)

The Stages of Change - PFP





Successfully Engaging Physicians

Present Data/Results - Clearly



Here is your final 2003 Value of Care Plan (VCP) profile. It is based on Excellus data paid through December 31, 2003. The purpose of this data is to help RIPA practitioners improve the quality and value of the services provided in our community. You can find a summary of the Value of Care Plan at the end of the profile, and at www.ripa.org. The VC profile is the first and only physician profile in the U.S. to be reviewed by the National Committee for Quality Assurance (NCQA), who found it to conform to the industry's highest methodological standards.

How to use your profile

The profile has a top-down structure. This executive summary gives a high-level view. Succeeding pages provide more detail. There is a guide to the profile at the end of this executive summary. You can use the yellow Fax Back Response Form to request more detailed information.

Care Pathway results and suggestions

Chronic Care Adherence	Your Rate	Specialty Average	Target Rate	Largest Opportunities for Improvement
Diabetes	0.85	0.68	0.85	Great Job! Your adherence rate is at or above our goal of .85
Asthma	0.55	0.39	0.85	E & M Visits Too few patients to include in Value of Care scoring

Acute Care Adherence	Your Rate	Specialty Average	Target Rate	Comments
Sinusitis	N/A	0.68	0.75	Too few episodes to include in Value of Care scoring
Otitis Media	0.79	0.63	0.75	Great Job! Your adherence rate is at or above our goal of .75

Value of Care Plan Performance

VCP Component	Your Results	Specialty Average	Your Score	VCP Weight	Comments
Chronic Care Pathways			4.0	20%	
Acute Care Pathways			4.0	15%	
Mammography Rate	64.3	75.2	2.0	5%	Too few patients to determine score, specialty average will be used
Patient Satisfaction Survey	100.0	92.7	4.0	20%	See your Patient Satisfaction Survey Results
Age - Sex Adjusted Weighted Efficiency Index	0.95	1.01	3.8	40%	See Efficiency Index Analysis Sheet

Your responsible efficiency index is 1.05 and your total efficiency index is 0.92. Your efficiency indexes are adjusted for your case mix and for the age-sex distribution for your patients.



Successfully Engaging Physicians

Provide actionable data

RIPA Action Items

- Specifics on Executive Summary
- Care pathway sub scores
- Chronic care pathways with registries
- Additional analyses on request
- Practice visits by trained staff with data
- Respectful, non-judgmental approach



Dear DR. DOE.:

Here is your final 2003 Value of Care Plan (VCP) profile. It is based on Excellus data paid through December 31, 2003. The purpose of this data is to help RIPA practitioners improve the quality and value of the services provided in our community. You can find a summary of the Value of Care Plan at the end of the profile, and at www.ripa.org. The VCP profile is the first and only physician profile in the U.S. to be reviewed by the National Committee for Quality Assurance (NCQA), who found it to conform to the industry's highest methodological standards.

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Care Pathway results and suggestions

Chronic Care Adherence	Your Rate	Specialty Average	Target Rate	Largest Opportunities for Improvement
Diabetes	0.83	0.68	0.85	Dilated Eye Exam Influenza Vaccination
Asthma	0.40	0.43	0.85	E & M Visits Yearly Comprehensive Review

Acute Care Adherence	Your Rate	Specialty Average	Target Rate	Comments
Sinusitis	0.41	0.65	0.75	Don't skip First Line Antibiotics Use fewer Less Effective Abx
Otitis Media	0.57	0.63	0.75	Use fewer Less Effective Abx Too few episodes to include in Value of Care scoring

Value of Care Plan Performance

VCP Component	Your Results	Specialty Average	Your Score	VCP Weight	Comments
Chronic Care Pathways			2.8	20%	
Acute Care Pathways			2.1	15%	
Mammography Rate	69.4	79.8	0.0	5%	
Patient Satisfaction Survey	97.6	94.4	4.0	20%	See your Patient Satisfaction Survey Results
Age - Sex Adjusted Weighted Efficiency Index	0.99	1.00	3.8	40%	See Efficiency Index Analysis Sheet

Your responsible efficiency index is 0.97 and your total efficiency index is 0.99. Your efficiency indexes are adjusted for your case mix and for the age-sex distribution for your patients.



Internal Medicine Sample Profile

Care Pathway results and suggestions

Chronic Care Adherence	Your Rate	Specialty Average	Target Rate
Diabetes	0.83	0.68	0.85

Specific Action Items Up Front:

Largest Opportunities for Improvement
Dilated Eye Exam Influenza Vaccination

Your Score
2.8
2.1
0.0
4.0
3.8

February profile scores
determine PFP
payment (see next slide)



Actionable data: Patient registries for all 3 chronic diseases in every PCP profile

(Actual profiles have patient names here)

BLUE CHOICE	Y	HbA1c	02/13/2004
		HbA1c	08/21/2004
		LDL	08/21/2004
		Eye Exam	
		Influenza vaccine	
		UA or Microalbumin	

Diabetes Care Pathway - Patient Detail Report INTERNAL MEDICINE							
RIPA February 2004 Profile Based on claims paid through December 31, 2004							
Report Period Ending: September 2004 Measurement Period: October 2003 - September 2004							
Patient	DOB	ID Number	Line of Business	Included in PCP Scoring	Service	Date	Comments
			BLUE CHOICE	Y	HbA1c	02/13/2004	
			BLUE CHOICE	Y	HbA1c	08/08/2004	
			BLUE CHOICE	Y	LDL	11/05/2003	
			BLUE CHOICE	Y	Eye Exam		
			BLUE CHOICE	Y	Influenza vaccine	11/11/2003	
			BLUE CHOICE	Y	UA or Microalbumin	02/12/2004	
			BLUE CHOICE	Y	HbA1c		
			BLUE CHOICE	Y	HbA1c	02/13/2004	
			BLUE CHOICE	Y	LDL	08/21/2004	
			BLUE CHOICE	Y	Eye Exam	08/21/2004	
			BLUE CHOICE	Y	Influenza vaccine		
			BLUE CHOICE	Y	UA or Microalbumin		
			BLUE CHOICE	Y	HbA1c	02/02/2004	
			BLUE CHOICE	Y	HbA1c	08/23/2004	
			BLUE CHOICE	Y	LDL	08/23/2004	
			BLUE CHOICE	Y	Eye Exam	10/30/2003	
			BLUE CHOICE	Y	Influenza vaccine		
			BLUE CHOICE	Y	UA or Microalbumin		
			BLUE CHOICE	Y	HbA1c	04/21/2004	
			BLUE CHOICE	Y	HbA1c	08/13/2004	
			BLUE CHOICE	Y	LDL	08/13/2004	
			BLUE CHOICE	Y	Eye Exam		
			BLUE CHOICE	Y	Influenza vaccine	08/13/2004	
			BLUE CHOICE	Y	UA or Microalbumin		
			BLUE CHOICE	Y	HbA1c	03/02/2004	
			BLUE CHOICE	Y	HbA1c	03/02/2004	
			BLUE CHOICE	Y	LDL	03/02/2004	
			BLUE CHOICE	Y	Eye Exam	10/08/2003	
			BLUE CHOICE	Y	Influenza vaccine		
			BLUE CHOICE	Y	UA or Microalbumin		
			BLUE CHOICE	Y	HbA1c	03/27/2004	
			BLUE CHOICE	Y	HbA1c	07/17/2004	
			BLUE CHOICE	Y	LDL	03/27/2004	
			BLUE CHOICE	Y	Eye Exam	10/21/2003	
			BLUE CHOICE	Y	Influenza vaccine	11/25/2003	
			BLUE CHOICE	Y	UA or Microalbumin	03/27/2004	
			BLUE CHOICE	Y	HbA1c		
			BLUE CHOICE	Y	HbA1c		
			BLUE CHOICE	Y	LDL		
			BLUE CHOICE	Y	Eye Exam		
			BLUE CHOICE	Y	Influenza vaccine	11/25/2003	
			BLUE CHOICE	Y	UA or Microalbumin		

CONFIDENTIAL. Not for redisclosure. This report contains confidential patient data. For use by authorized personnel only.

page 1

Here is a patient who needs an eye exam and an influenza vaccination.

Registries are disease management tools that **empower** practitioners.

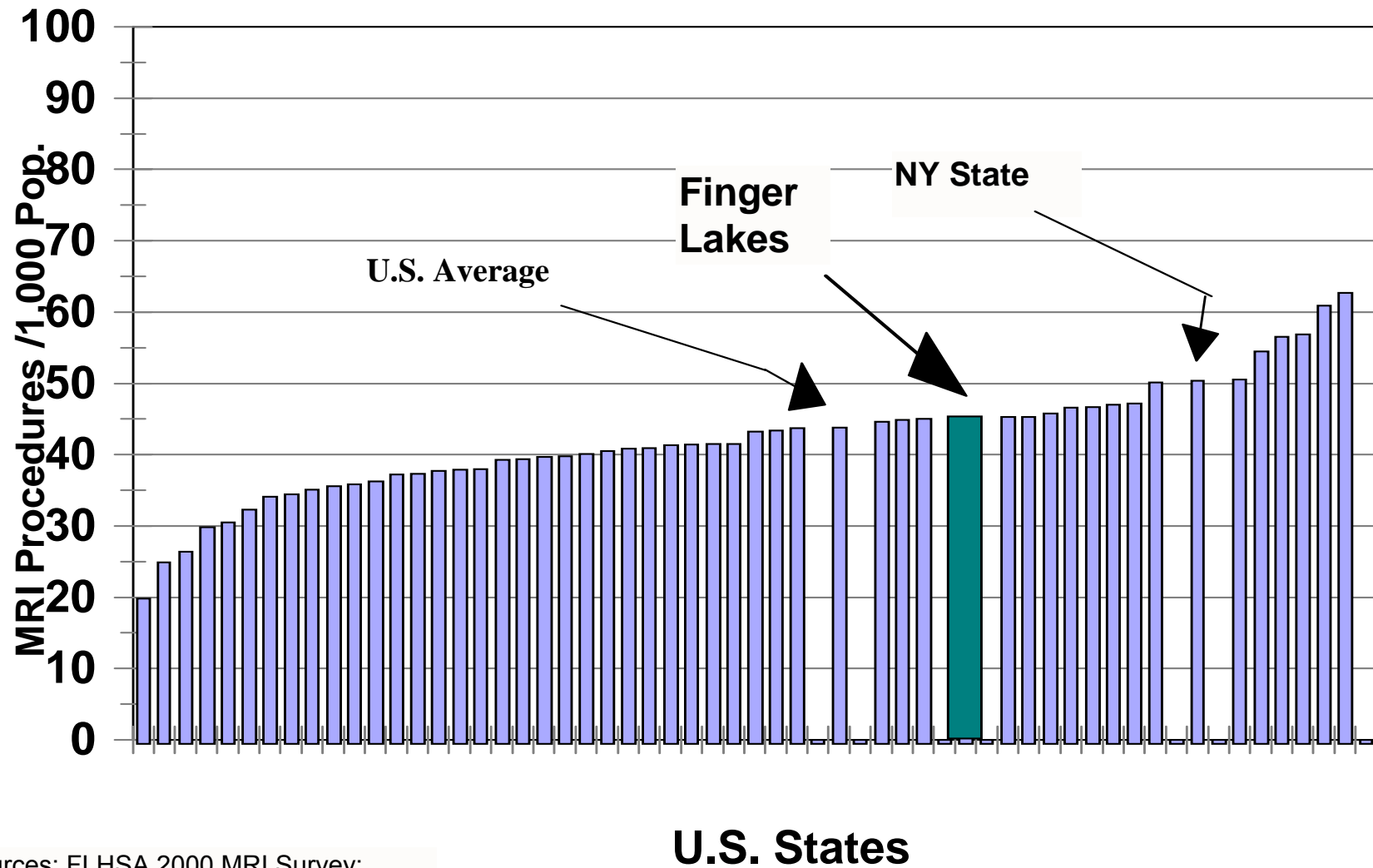


Getting to Value

RESULTS

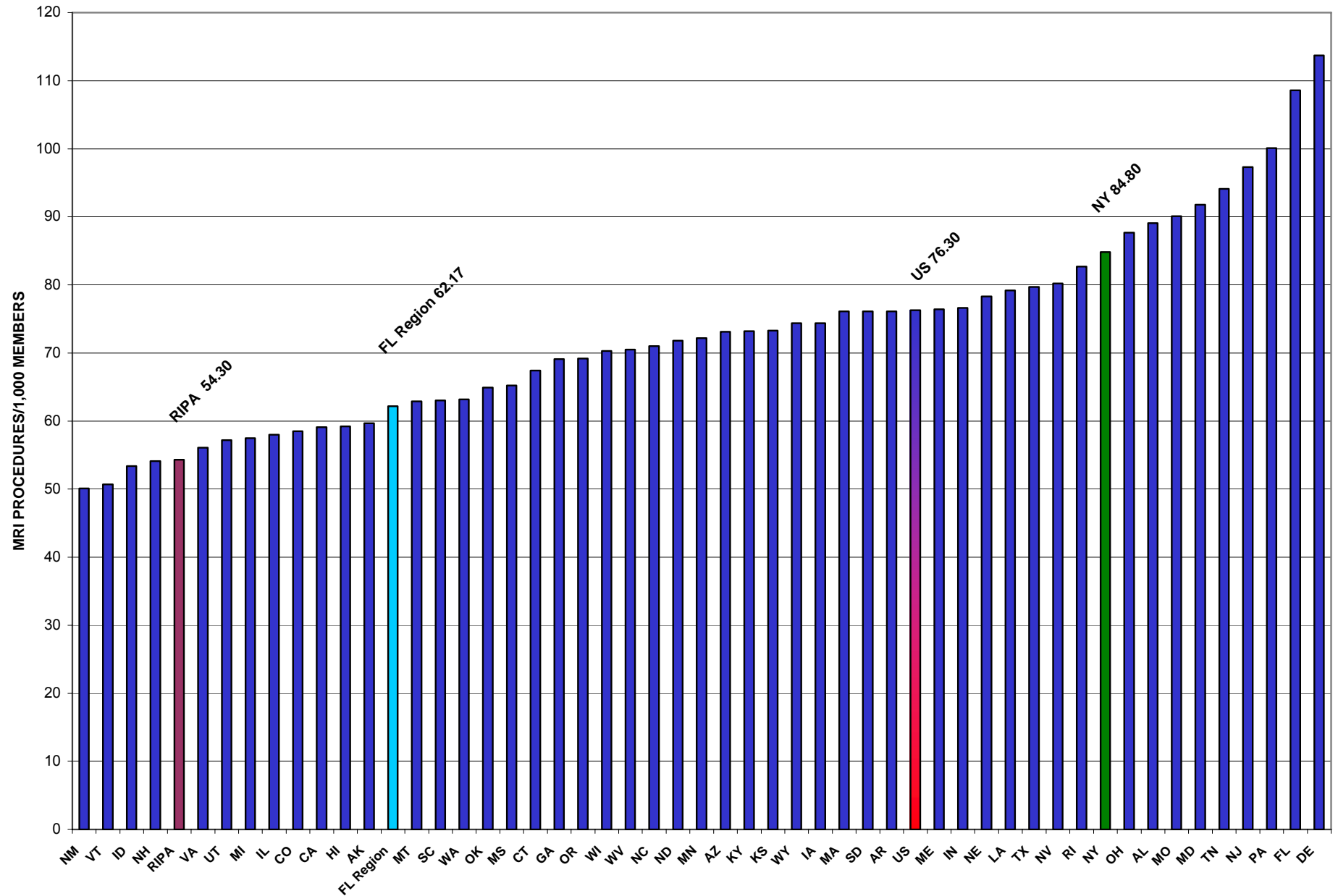
1998-99 MRI Utilization

Finger Lakes and U.S. States



Data Sources: FLHSA 2000 MRI Survey;
1998-99 TMG National MRI Survey

MRI UTILIZATION 2003





Return on Investment

- Actuarial Rolling Trend Analysis For DM
- Baseline 2001/2002, Intervention 2003/2004
- CAD Provided Additional \$2.9 million in 2004*
 - * Curtin, Beckman et al. J Healthcare Mgt, 2006

Profile ROI	2003	2004
Annual Savings on Trend	1,894,471	5,869,515*
Annual Cost	1,148,597	1,148,597
ROI	1.5:1	5:1

Successfully Engaging Physicians

- Defining the Job:
 - Practitioners want increased quality
 - Payers/plans want increased value
- Result: Conflict in measure selection and program design



Successfully Engaging Physicians

Value and quality paradigms are in conflict because...

Quality is largely defined as reducing underuse (Ex. Increasing mammogram, colon screening, immunization rates or statin use after MI)

Successfully Engaging Physicians

- Value incorporates cost into the equation
- For practitioners, cost reduction means withholding treatments from patients and reducing their income
- Result: The quality/cost dichotomy fails

Successfully Engaging Physicians

- Goal : Create win-win measures which motivate employers/plans/practitioners and patients to improve value
- Discard cost/quality – Cost without quality won't work for practitioners and patients
- Solution : Promote reduction of underuse, overuse and misuse

Successfully Engaging Physicians

A sample balanced portfolio of measures

- Underuse – Colon cancer and breast cancer screening, HbA1c and LDL testing, flu shots and retinal exams for diabetics

Successfully Engaging Physicians

- Misuse – ARB/ACEI rate for hypertension, PCP use of extremity MR, Hospital admission for DVT, CCB/HCTZ- β blocker rate for hypertension, nuclear cardiology exercise testing, macrolide use for sinusitis
- Overuse – Antibiotic treatment for upper respiratory infections, 99243 consults prior to screening colonoscopy, laryngoscopy in evaluation of laryngeal GERD symptoms



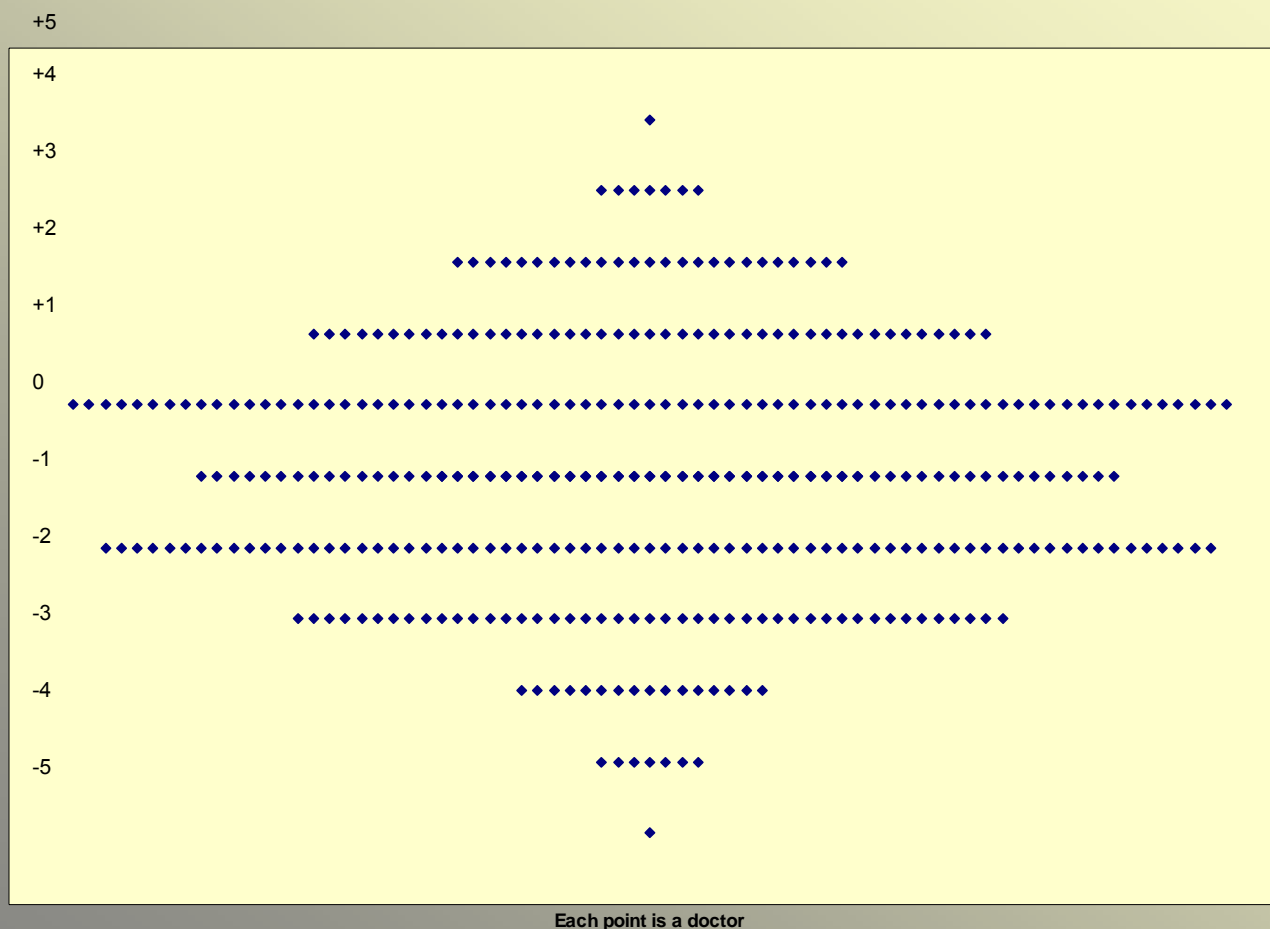
Creating a balanced portfolio of measures: The partnership model

- Advocate for a mix of underuse and overuse/misuse measures
- Reducing underuse requires initial investment (although ROI is quicker than you think, Curtin, Beckman et al. JHM, 2006)
- Reducing overuse/misuse generates savings right away
- Advocate for physicians to receive a share of the savings



Internal Medicine and Family Practice Number of Measures

A Doctor is 25% Above or 25% Below Peers In Specialty





Results: Focusing on Unnecessary Variation

IM and FP E&M Variation

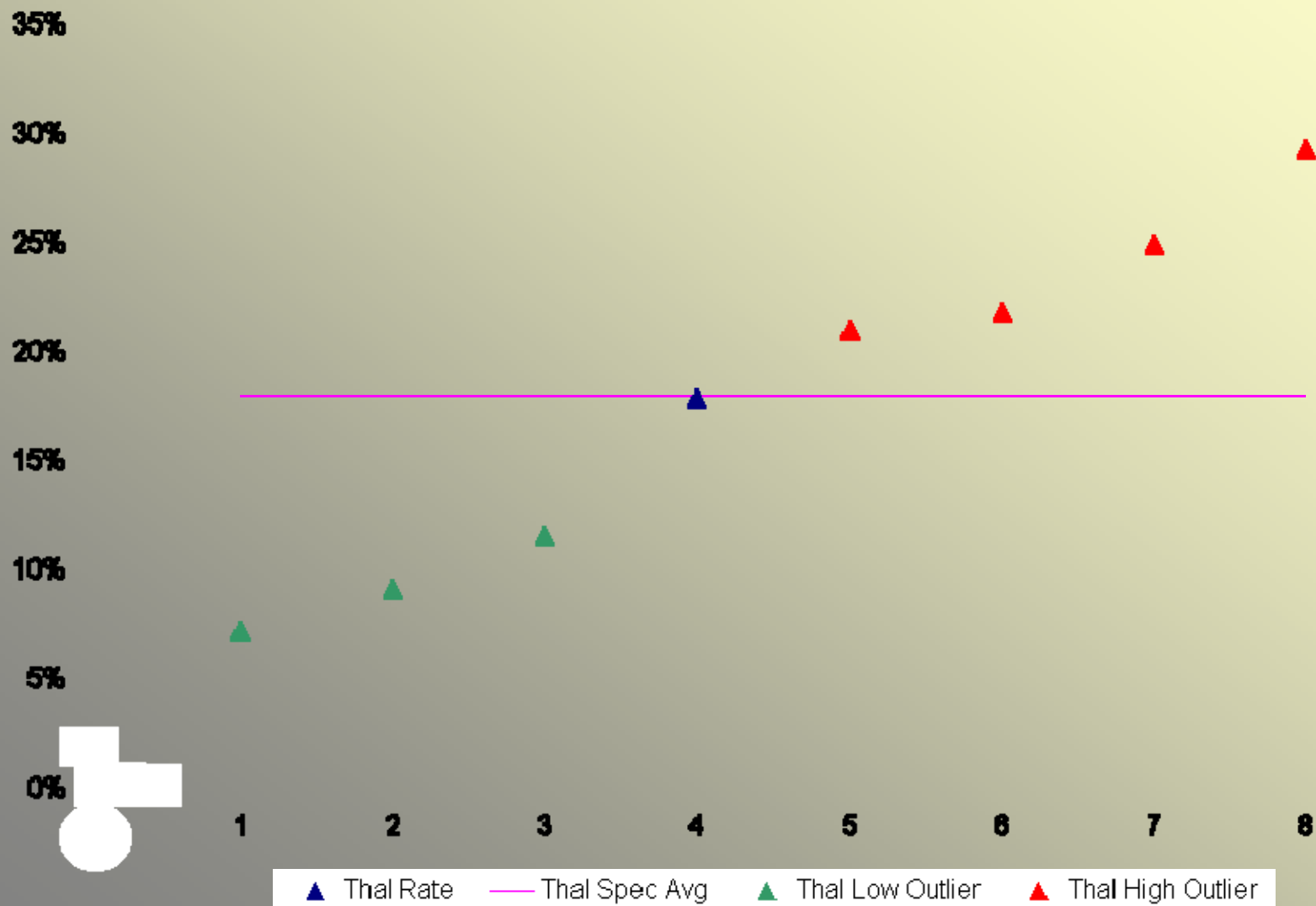
- Take 99214 high outliers with $TEI \geq 1.0$
- Bring their rate down to rest of panel to find excess 99214
- Multiply by $99214 - 99213 = \$32$
- Savings in one year:

–IM	\$225,000
–FP	<u>180,000</u>
–Total:	\$405,000

Pre-intervention: 4:1 variation



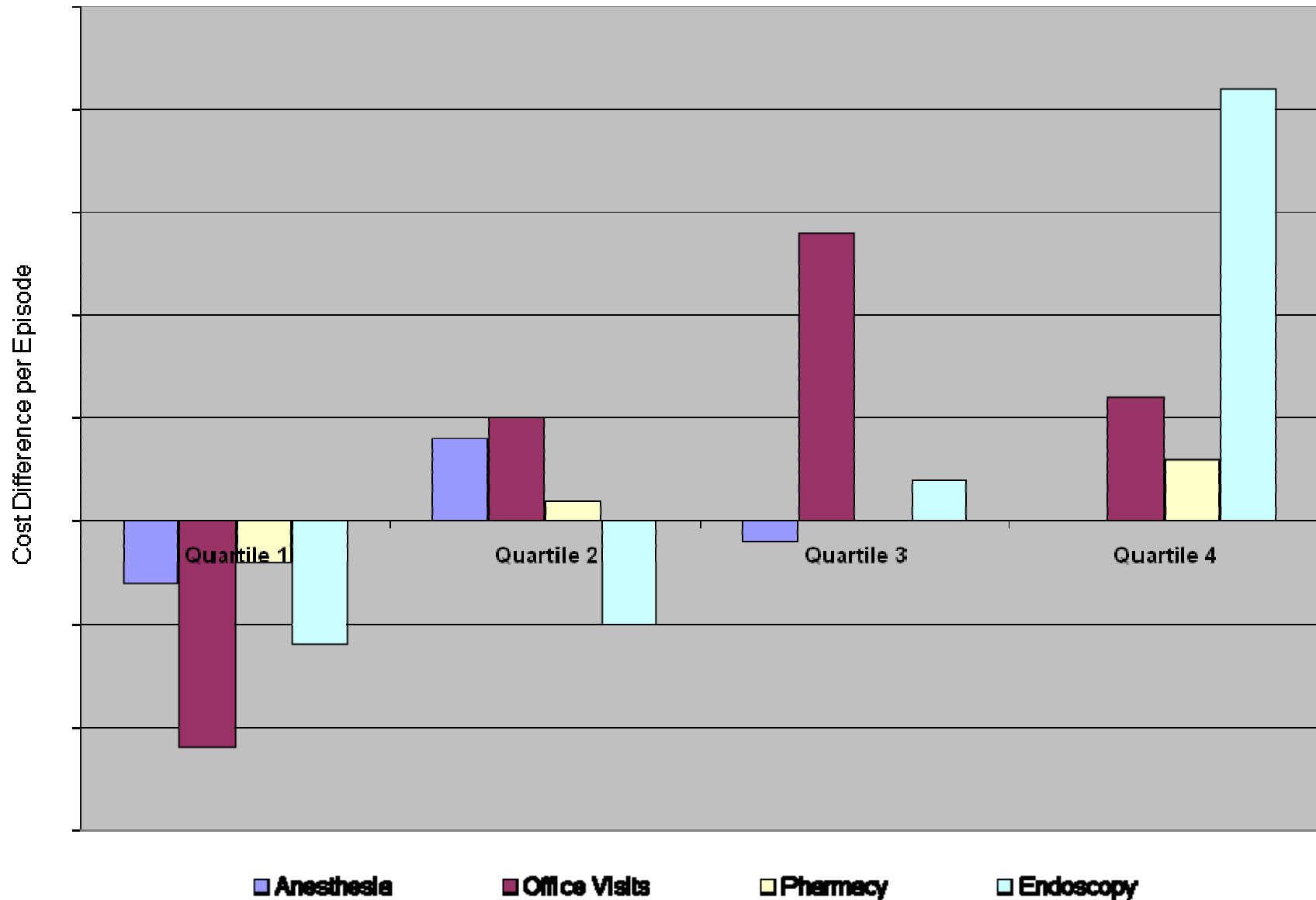
Stress Thallium Cath Rates
Among all patients seen 2003 by the eight largest cardiology groups
in order, lowest to highest stress thallium rates



Another Recent Specialty Project

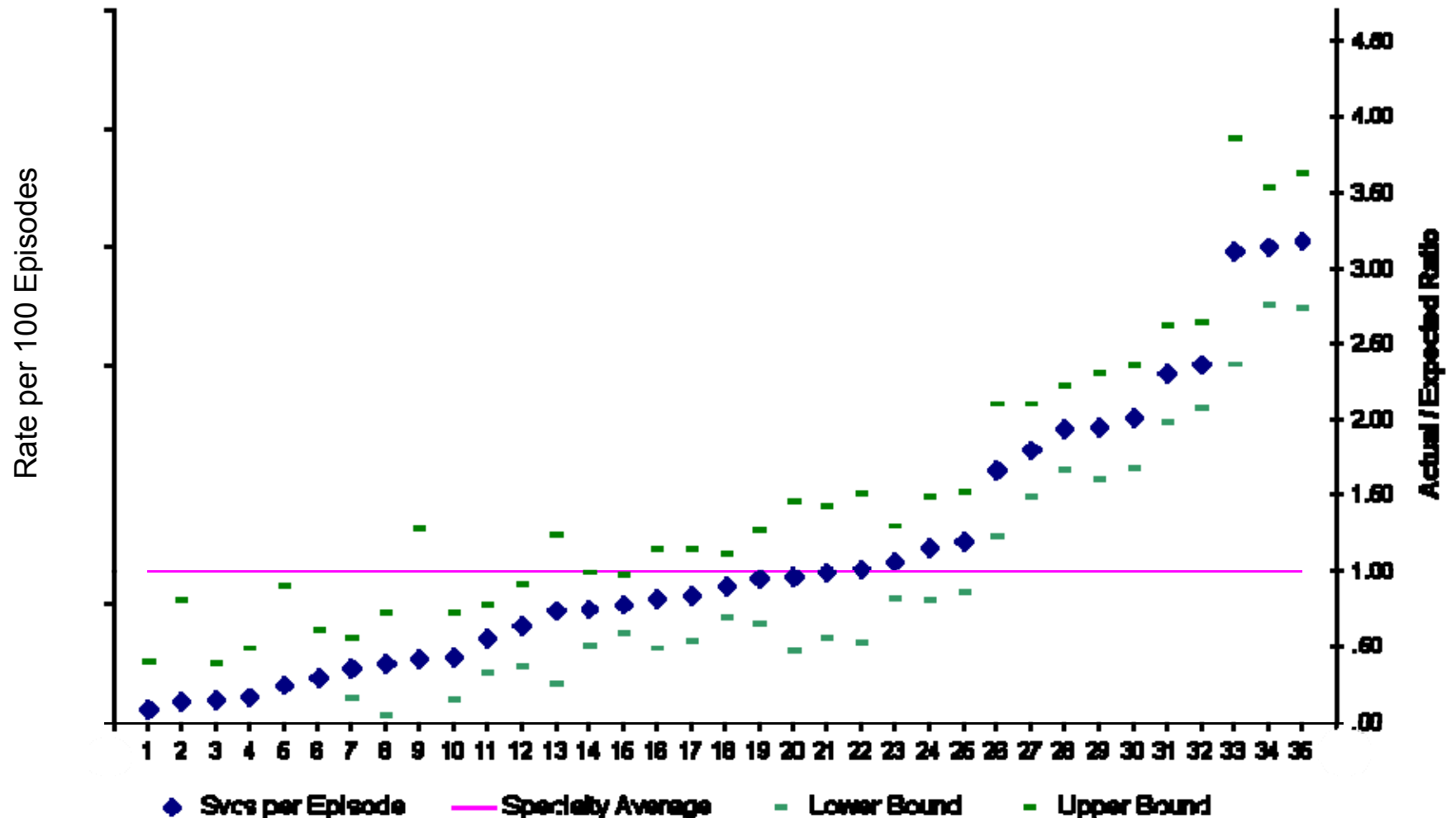
- ENT endoscopy rate:
 - High utilization increases
 - MPPTs created; reviewed by ENT leadership
 - Decision: work on surgical nasal endoscopy, diagnostic nasal endoscopy, and fiberoptic laryngoscopy (example to follow)
 - Creation of case-mix adjusted utilization curve
 - Newsletters, mailings (specialty), mailings (high-utilizers)
 - Personal visits with high-utilizers

Laryngoscopy in pharyngitis



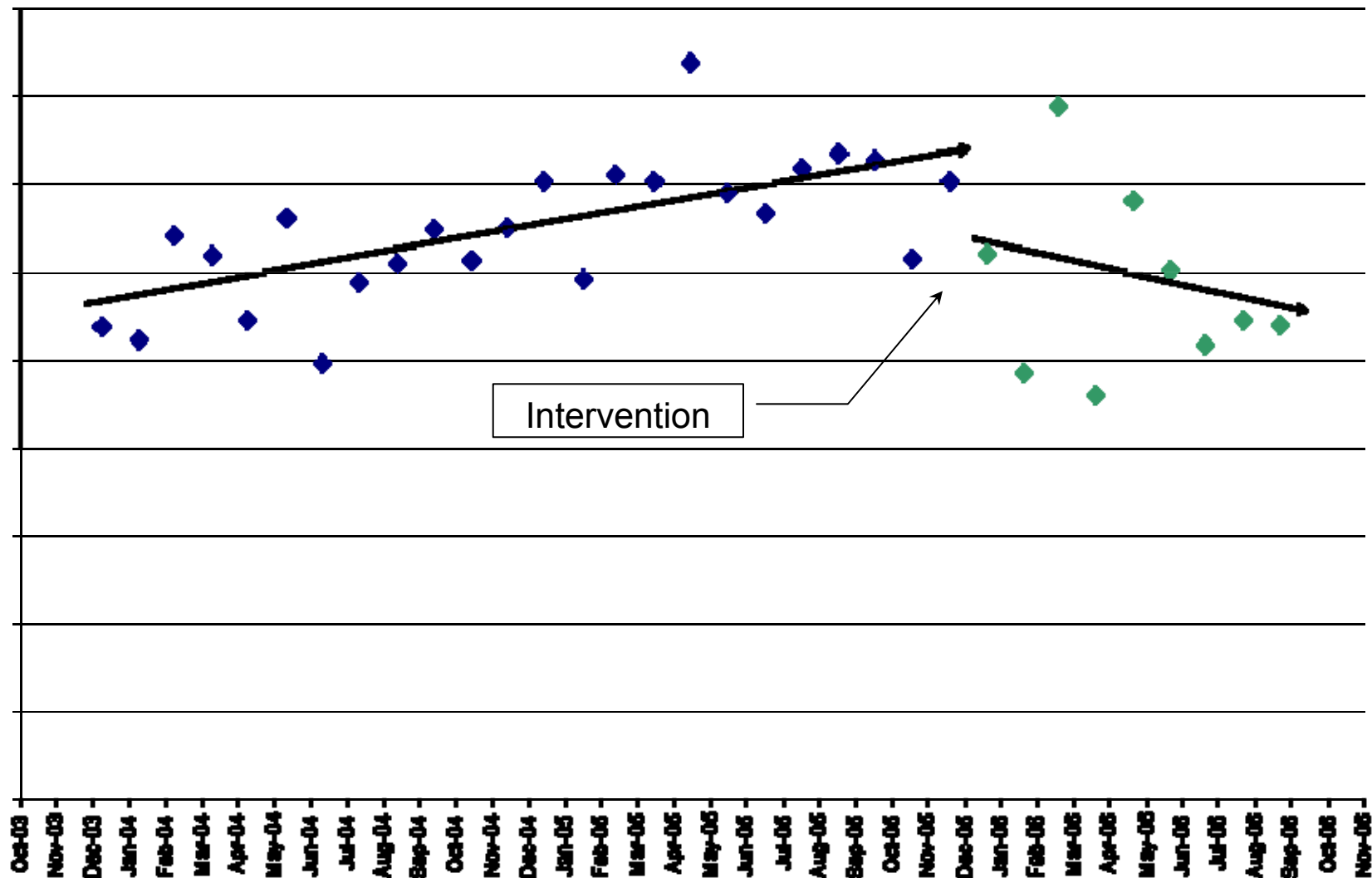
Provided by Focused Medical Analytics

Case Mix Adjusted Utilization Curve – Fiberoptic Laryngoscopy in ENT



Provided by Focused Medical Analytics

Current Results, ENT Fiberoptic Laryngoscopy

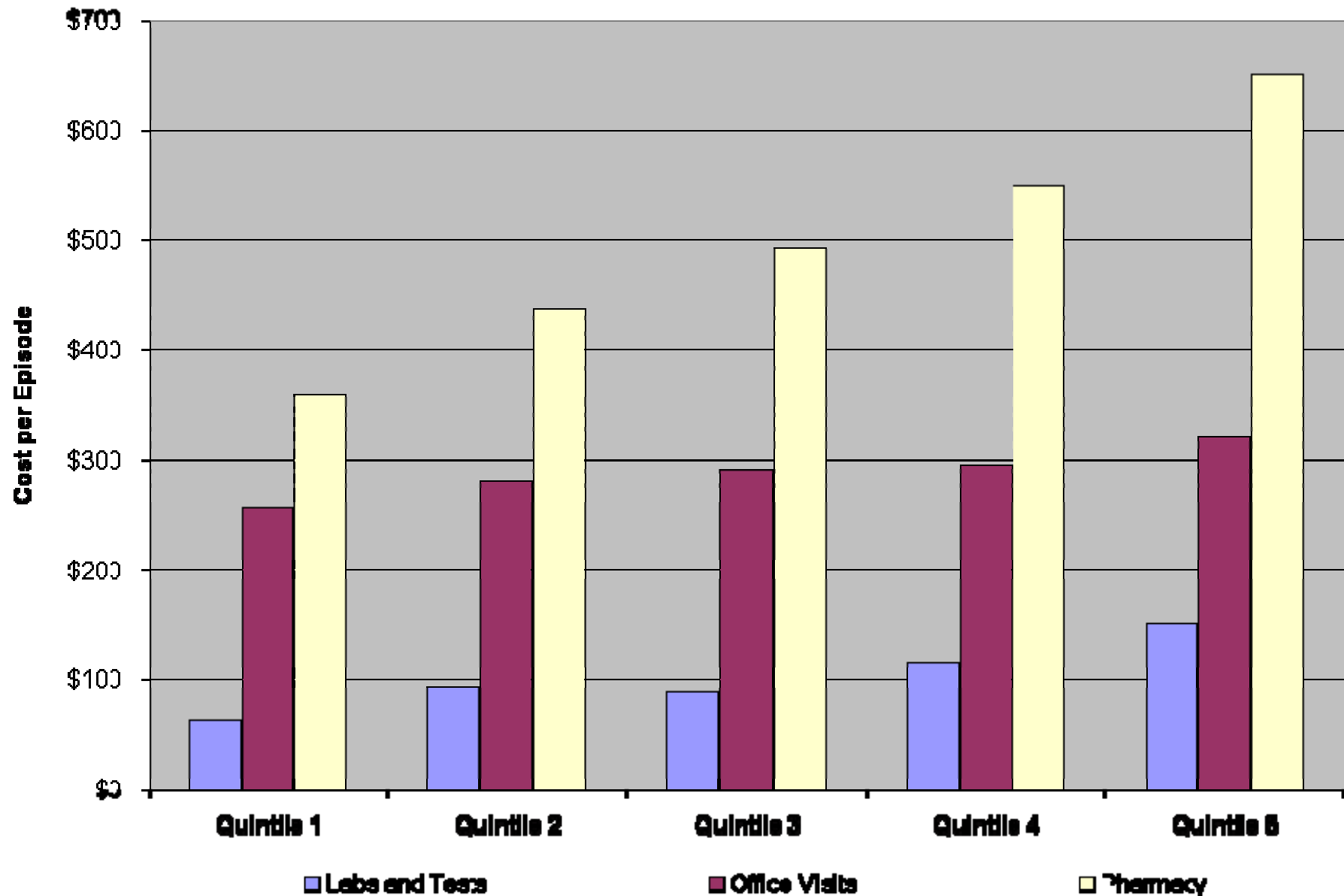


Services per thousand, paid through Sept. 2006

Provided by Focused Medical Analytics

MPPT Analysis of Hypertension

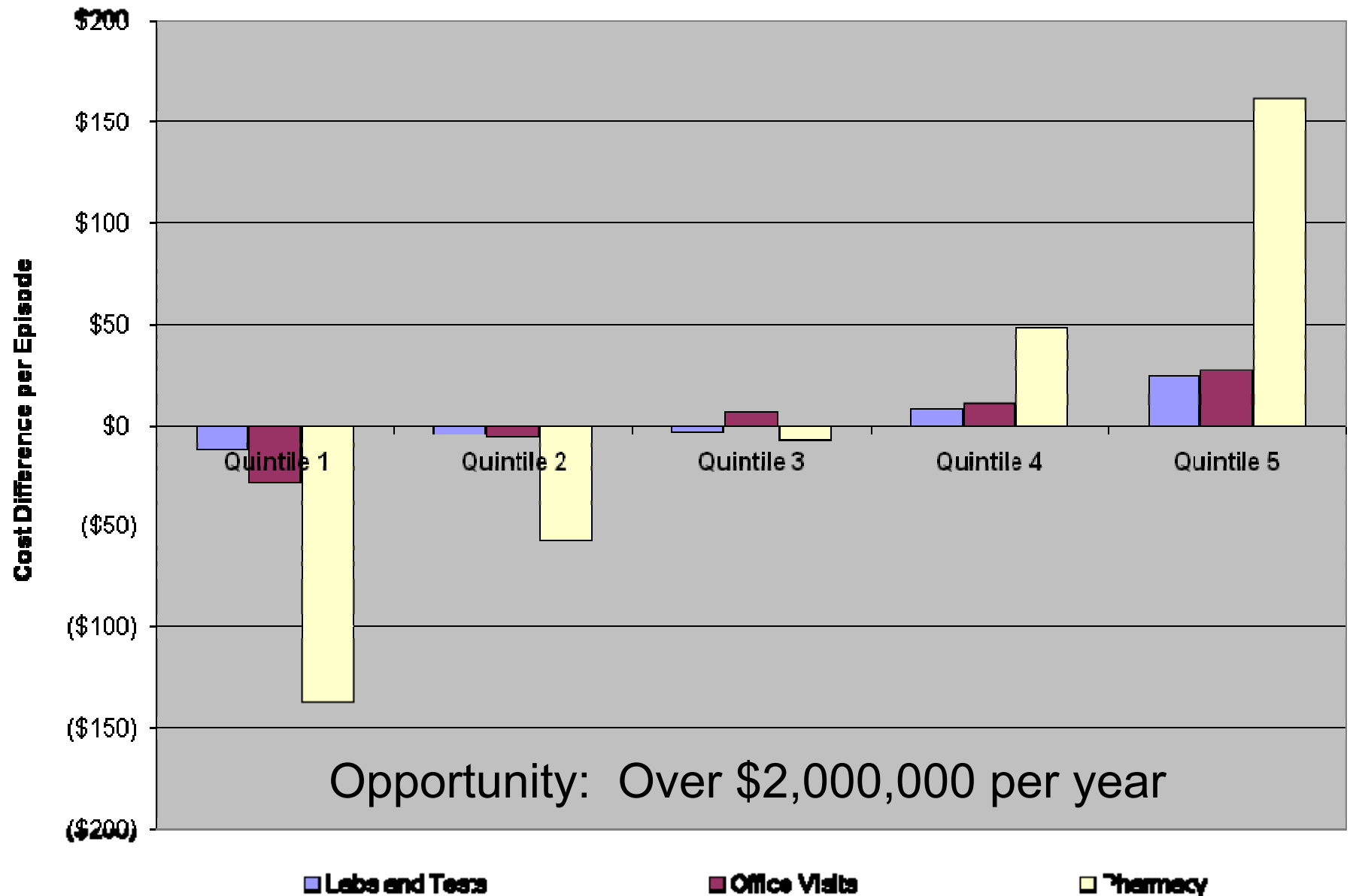
(ETG 0281, Benign HTN w/o comorbidity, among 260 internists)



Provided by Focused Medical Analytics

Hypothetical Costs for Illustration Only

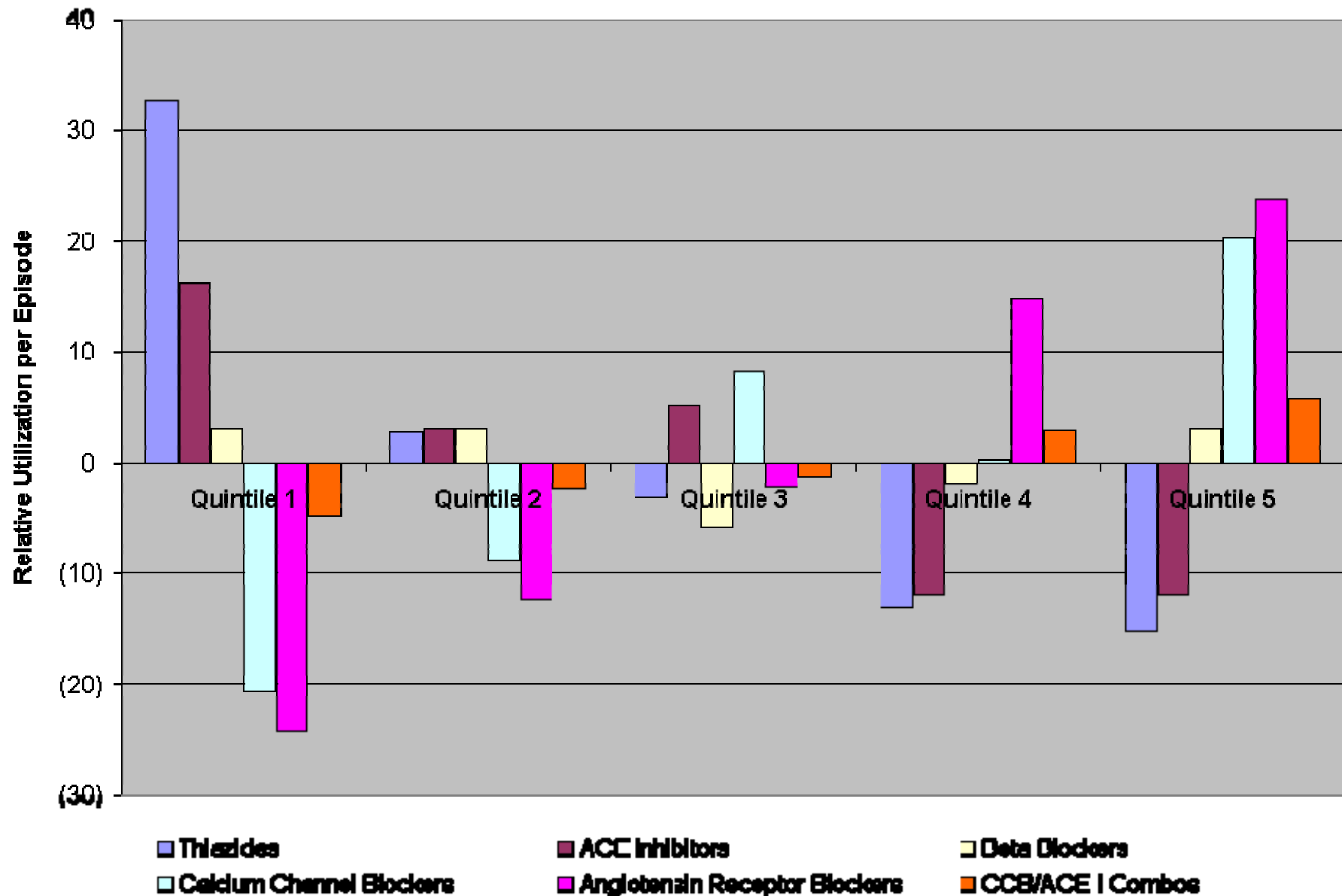
Cost Variation – All in Pharmacy



Provided by Focused Medical Analytics

Hypothetical Costs for Illustration Only

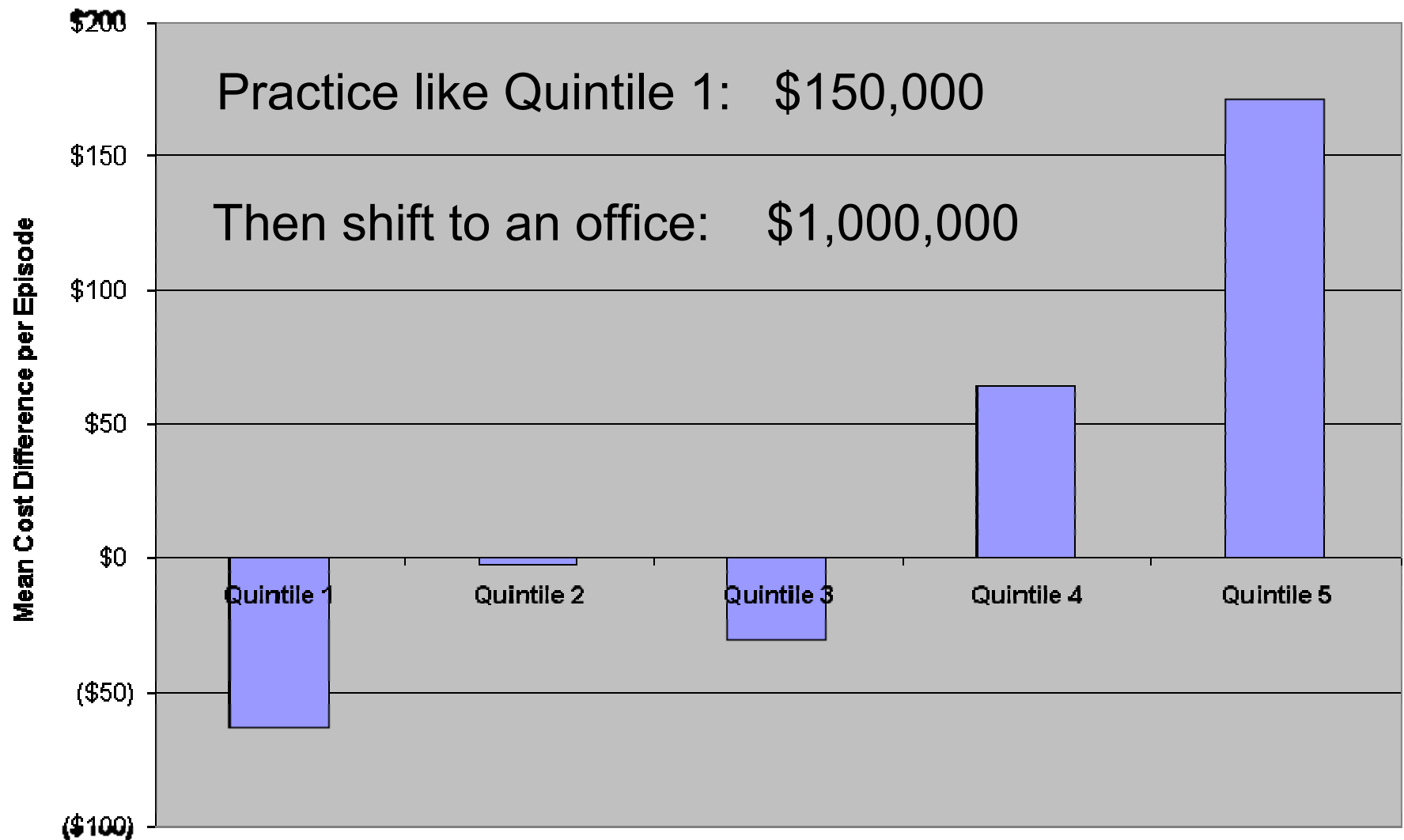
Analysis of Pharmacy Reveals Best Practice is Quintile 1 !



Carpal Tunnel Syndrome Surgery:

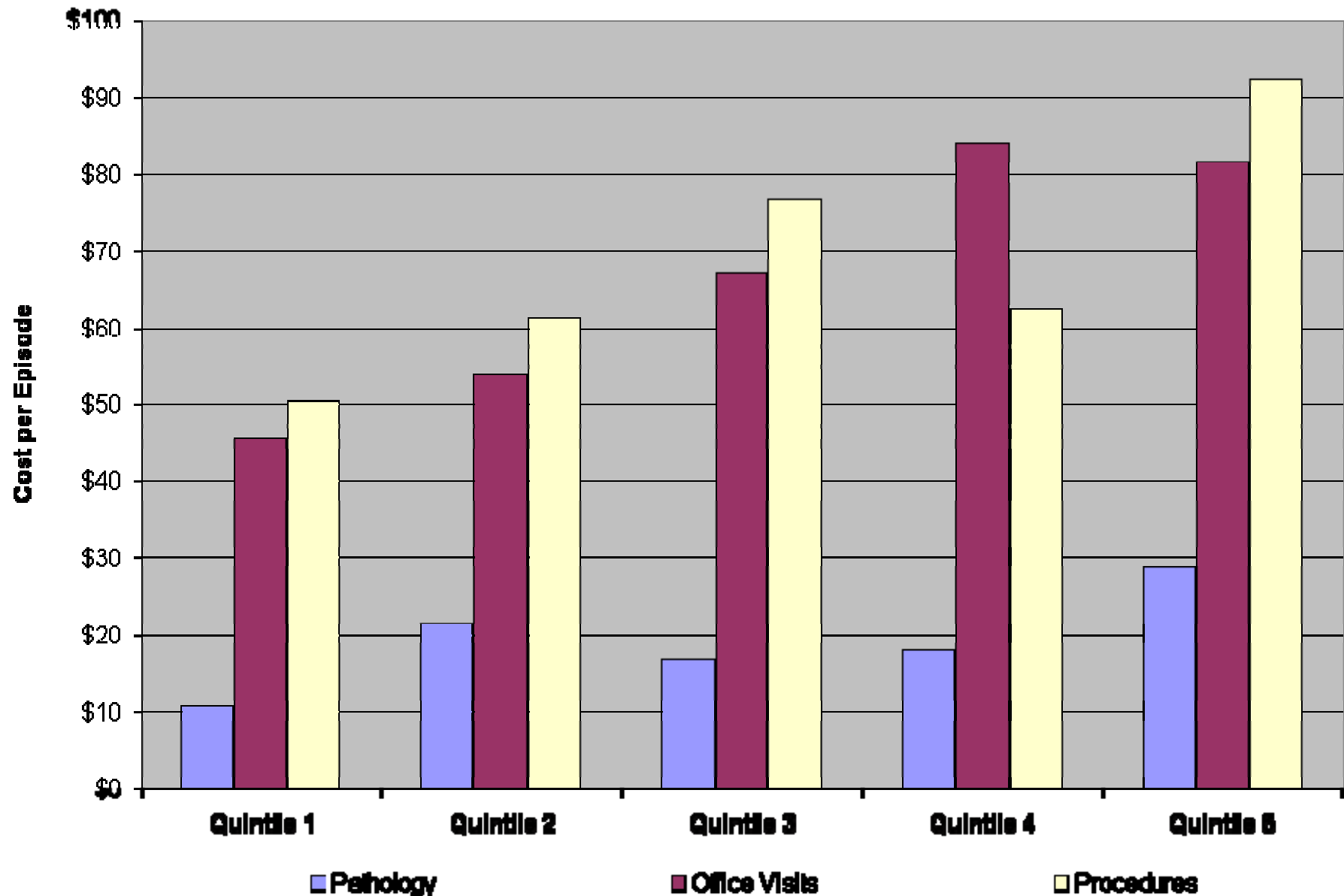
Graph: Regional anesthetic cost per episode

Savings opportunity: Use local anesthetic instead



Removing Benign Skin Growths

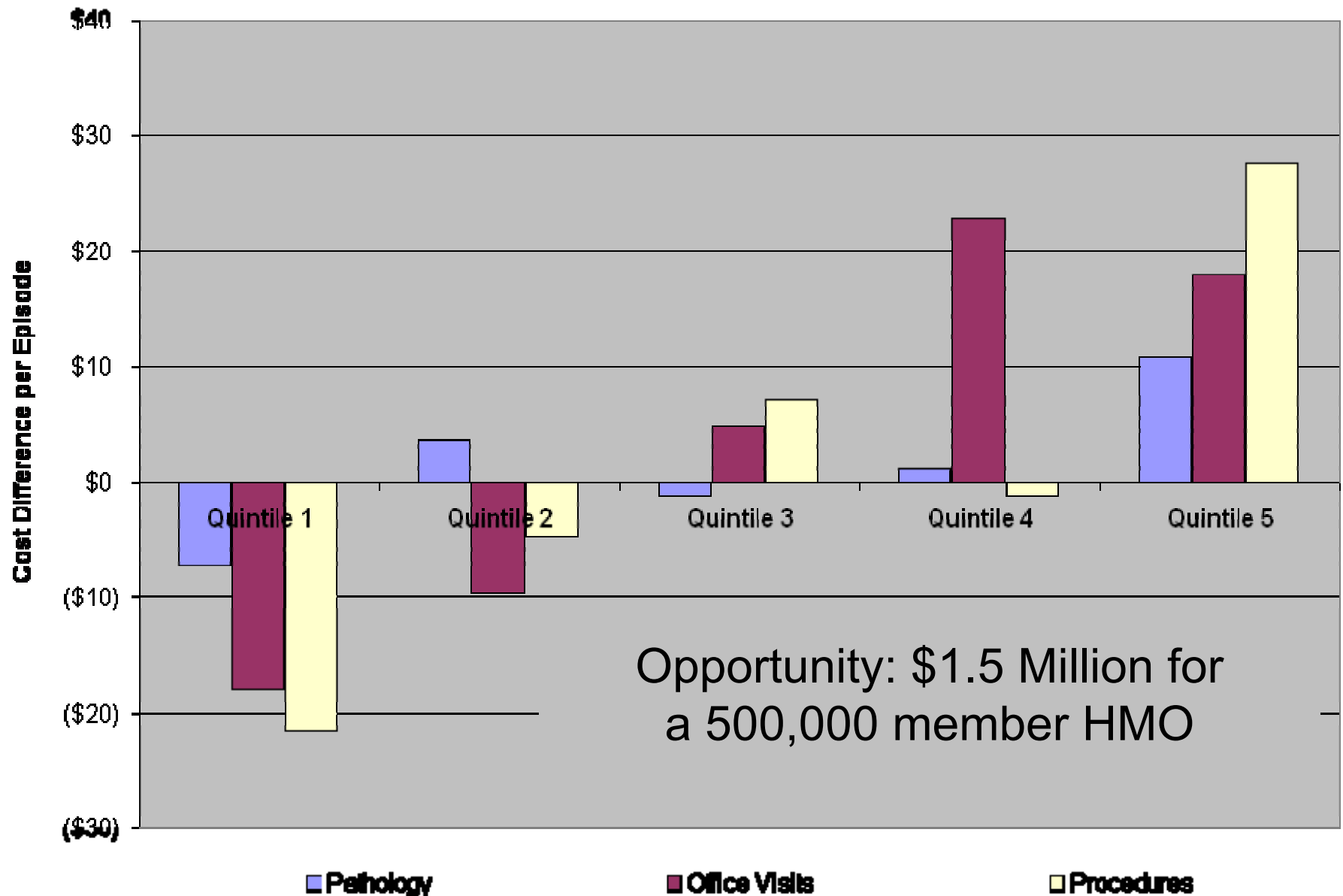
(ETG 0682 Benign Skin Neoplasms)



Provided by Focused Medical Analytics

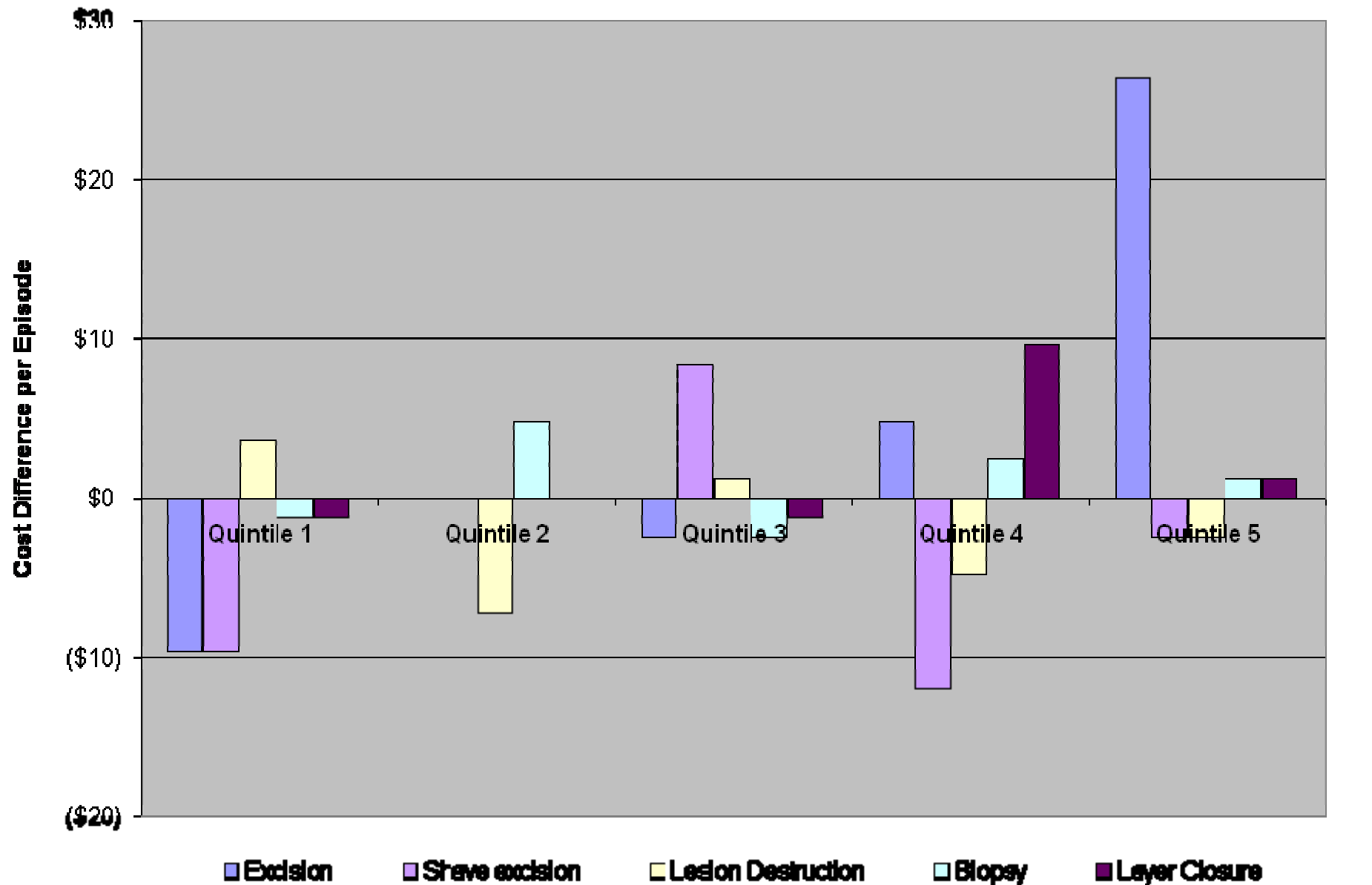
Hypothetical Costs for Illustration Only

Office visits and procedures drive costs



Opportunity: \$1.5 Million for
a 500,000 member HMO

Drilling Down on Procedures



Provided by Focused Medical Analytics

Hypothetical Costs for Illustration Only

Creating a Blueprint for Change

Microsoft Excel - Blueprint Sample 2006-2012

FileEditViewInsertFormatToolsDataWindowHelp

Type a question for help

A100

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y					
1	Medical Management Blueprint										Confidential																			
2																														
3	Key:	Condition, ETG number			Data based on dates:										Copyright 2006, Focused Medical Analytics, LLC. All rights reserved.															
4		Costs	Rank	% Spec Costs											Patent pending.															
5		Findings																												
6																														
7		Strategy Ideas																												
8		Potential savings			If all physicians practiced like the lowest quartile																									
9																														
10	Internal Medicine		Total \$\$ in top ETGs: #####				Percent of specity \$\$: xx%				Total specialty \$\$: #####																			
11	Benign hypertension, w/o comorbidity, 0281		Non-insulin dependent diabetes, with comorbidity, 0029		Inflammation of the esophagus, w/o surgery, 0433		Insulin dependent diabetes, with comorbidity, 0027		Acute sinusitis, 0333		Dermatitis		Acute bronchitis, w/o comorbidity, age 5+, 0384		Minor depression, 0096		Ben													
12	#####	1	xx%	#####	2	xx%	#####	3	xx%	#####	4	xx%	#####	5	xx%	#####	6	xx%	#####	7	xx%	#####	8	xx%	###					
13																														
14																														
15																														
16																														
17																														
18	Family Practice		Total \$\$ in top ETGs: #####				Percent of specity \$\$: xx%				Total specialty \$\$: #####																			
19	Non-insulin dependent diabetes, with comorbidity, 0029		Benign hypertension, w/o comorbidity, 0281		Acute sinusitis, 0333		Inflammation of the esophagus, w/o surgery, 0433		Tonsillitis, adenoiditis or pharyngitis, w/o surgery, 0331		Dermatitis		Minor depression, 0096		Acute bronchitis, w/o comorbidity, age 5+, 0384		Otit													
20	#####	1	xx%	#####	2	xx%	#####	3	xx%	#####	4	xx%	#####	5	xx%	#####	6	xx%	#####	7	xx%	#####	8	xx%	###					
21																														
22																														
23																														
24																														
25																														
26	Pediatrics		Total \$\$ in top ETGs: #####				Percent of specity \$\$: xx%				Total specialty \$\$: #####																			
27	Tonsillitis, adenoiditis or pharyngitis, 0331		Otitis media, w/o surgery, 0329		Uncomplicated neonatal management, 0780		Attention Deficit Disorder, 0101		Dermatitis		Other major neonatal disorders, perinatal origin, 0786		Acute sinusitis, 0333		Asthma, w/o comorbidity, age less than 18		Oti sig													
28	#####	1	xx%	#####	2	xx%	#####	3	xx%	#####	4	xx%	#####	5	xx%	#####	6	xx%	#####	7	xx%	#####	8	xx%	###					
29																														
30																														
31																														
32																														
33																														
34	Ob-Gyn		Total \$\$ in top ETGs: #####				Percent of specity \$\$: xx%				Total specialty \$\$: #####																			
35	Benign neoplasm of the female genital tract, with surgery, 0646		Conditions associated with menstruation, w/o surgery, 0649		Benign neoplasm of the female genital tract, w/o surgery, 0647		Infectious conditions during pregnancy, delivery w/o C-section, 0617		Complicated pregnancy, delivery w/o C-section, 0613		Uncomplicated neonatal management, 0780		Conditions associated with menstruation, with surgery, 0648		Complicated pregnancy, delivery with C-section, 0612		In duri													
36	#####	xx%	#####	xx%	#####	xx%	#####	xx%	#####	xx%	#####	xx%	#####	xx%	#####	xx%	#####	xx%	#####	xx%	#####	xx%	#####	xx%	###					
37																														
38																														
39																														
40																														
41																														
42	Ear, Nose, and Throat		Total \$\$ in top ETGs: #####				Percent of specity \$\$: xx%				Total specialty \$\$: #####																			

Blueprints

Blueprints

Blueprints

Blueprints

Conclusions

- To be most effective at controlling spiraling costs, focus on behavior, not the individual
- Create overuse and misuse measures, avoid focusing on cost
- Provide comparative data, focusing on unnecessary variation
- Deliver data in a non-judgmental fashion

Decrease Variation, then Shift the Curve

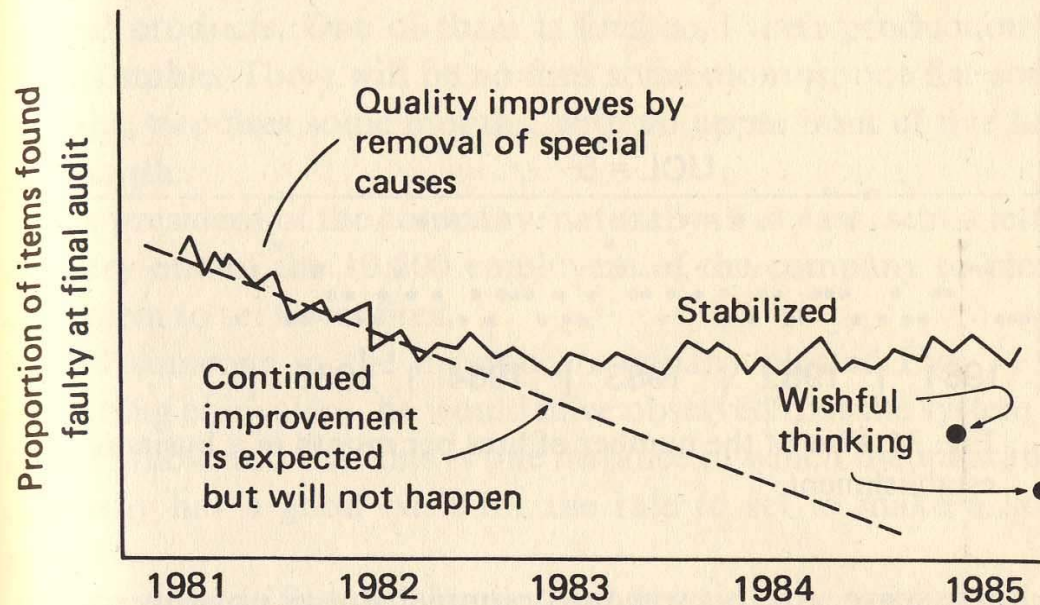


Fig. 33. Typical path of frustration. Quality improves dramatically at first; then levels off, becomes stable. The responsibility for improvement of quality shifts more and more to the management, and finally almost totally to the management, as obvious special causes are one by one detected and removed, and quality becomes stabilized, unfortunately at an unacceptable level.